Notice Regarding the Sales of NICIGAS' Stocks (Cross-shareholdings Stocks) by Financial Institutions

October 19th, 2018

Company name: NIPPON GAS CO., LTD.
Code number: 8174
URL: http://www.nichigas.co.jp/
Stock exchange listing: Tokyo Stock Exchange
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Nippon Gas Co., Ltd. ("NICIGAS") hereby announces that 1,080,000 of NICIGAS' stocks owned by financial institutions were sold in the market (the "Transaction"). Thereby, the number of NICIGAS' stocks owned as Cross-shareholdings Stocks was reduced.

1. Rationale for the Reduction of Cross-shareholdings Stocks

NICIGAS has a policy to reduce its Cross-shareholdings Stocks upon its own initiatives, when the purpose or/and the cost to hold stock does not comply with NICIGAS' internal criteria which is in accordance with the Corporate Governance Code. At the board of directors the policy has been extensively discussed several times to review the purpose and policy of Cross-shareholding Stocks, and it has disposed its holding stocks of non-financial companies in 2017 and of financial institutions from March to April in 2018, respectively, in line with the policy. The reduction of Cross-shareholdings Stocks this time is the disposal of NICIGAS' stocks by counterparty financial institutions which were owned as Cross-shareholdings Stocks.

2. Summary of the Transaction

The Transaction is an initiative in which several financial institutions sold 1,080,000 of NICIGAS' stocks owned as Cross-shareholdings Stocks, in the market. NICIGAS has not confirmed any change in its major shareholders, by the Transaction.

3. Impact on NICIGAS' Financial Results

The impact of the Transaction on NICIGAS' consolidated financial performance for FY March, 2019. is not expected to be material.